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Expert Group Meeting on Consulting
Services in Developing Countries in
the Field of Building Materials and
Construction Industry
Havana, Cuba, 10-14 November 1986

REPORT

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INTRODUCTION

The Expert Group Meeting on Consulting Services in Developing Countries in the Field of Building Materials and Construction Industry was held at Havana, Cuba, from 10 to 14 November 1986. The Meeting was attended by 10 experts from developing countries selected by UNIDO on the basis of their knowledge of the building materials and construction industry and consulting services in that industry (see annex I).

The main objective of the Meeting was to advise UNIDO and developing countries on the viability of establishing an international association of consulting organizations from developing countries. To this end, the Meeting concentrated on discussing and formulating conclusions and recommendations on:

(a) Possibilities for international co-operation between consulting organizations from developing countries in the building materials and construction industry and practical means of promoting such co-operation;

(b) The feasibility of and opportunities for establishing an international co-operative network of consulting organizations from developing countries and practical steps in setting up this network.

Background

The building materials and construction industry is one of the most dynamic sectors of an economy and therefore represents an essential instrument of socio-economic and industrial development. It provides a wide range of services and inputs for designing and constructing the facilities and infrastructure necessary for economic and industrial development. In addition to its direct contribution to the national economy, the building materials and construction industry also contributes indirectly to the economy through backward linkages and by providing a market for the products and services of other economic sectors.

The building materials and construction industry requires a wide range of consulting and engineering services, which, very often, can only be provided by consulting organizations from developed countries. Domestic consulting services, however, are much more able to fully adapt the most appropriate technologies to local conditions and should therefore be strengthened in order to play a more important role in this respect.

In September 1984, experts of the Group of 77 met at Zagreb, Yugoslavia, and discussed ways of fostering the self-reliance of the developing countries by strengthening co-operation between developing countries in the field of construction, civil engineering, equipment and building materials. Considering the vital role of consultancy services in this industrial sector, the experts concluded, inter alia, that closer co- operation between national consulting organizations from developing countries would enhance local capabilities to carry out the complex activities in this sector. The meeting recommended therefore that UNIDO should explore possibilities of establishing an international association of consulting organizations from developing countries. This recommendation was subsequently endorsed by the Group of 77 during the Fourth Session of the Intergovernmental Committee on Follow-up and Co-ordination of the Caracas Programme of Action, which took place at Jakarta, Indonesia, in August 1985. The Government of Cuba offered to host and financially support an expert group meeting on the subject at Havana. The Association of Cuban Construction and Consulting Organizations (UNECA) was designated as the counterpart to UNIDO in organizing and convening the meeting.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

The Expert Group Meeting reached the following conclusions:

1. The building materials and construction industry is one of the largest and most steady dynamic sectors of economic activity and therefore represents an important instrument in the overall development of developing countries. The sector requires a wide range of consulting and engineering services and capabilities, which are usually offered by specialized consultants, who must be able to incorporate and to accelerate the application of the latest and the most appropriate technologies. Consulting services from developed countries cannot fulfil these requirements, because they can only provide advice drawn mainly from the experience and the socio-cultural environment of developed countries. Local experience and expertise are therefore necessary in selecting and adjusting technological proposals to fit a country's particular needs and conditions. The role of domestic consultants can be very important in promoting the use of indigenous techniques and materials and equipment that are produced locally, thus furthering the development of other industrial sectors and acquiring savings in foreign exchange. The maximization of domestic inputs during the project implementation phase has a direct effect on the creation of a suitable environment and infrastructure during the operation and maintenance phase. Qualified domestic consulting services in the building materials and construction industry in developing countries are therefore needed, as they can contribute substantially to the overall development of these countries.

2. There are considerable consulting capabilities available in the developing countries; however, the level of domestic consulting and engineering services is not satisfactory in most developing countries. The development of these services is feasible, provided that suitable measures are taken in favour of consultancy in developing countries.

3. The severe problems and constraints encountered in most developing countries prevent the sustained development of domestic consulting services. These problems and constraints cannot be overcome through national efforts alone; co-operation between countries facing common problems should effectively supplement national efforts in this field.

4. There is a considerable lack of information on existing consulting capabilities in the building materials and construction industry, preventing the efficient utilization of available resources within developing countries.

5. Some associations, federations, development banks and international organizations are active in promoting effective co-operation between developing countries, but their efforts are not sufficient to facilitate the satisfactory development of the co-operation required.

6. There is considerable scope for co-operation between developing countries, which could enable better use to be made of existing capabilities within the developing countries and enhance the development of domestic consulting services.

7. The following areas of co-operation are considered to be among the most viable ones:

Exchange of information on existing capabilities and needs
Training

Promotional activities, such as seminars, workshops and study tours
Bilateral co-operation, such as joint ventures, winning arrangements, the joint implementation of projects and the exchange of experts
Research and development
Assistance in the creation of national and regional associations of consulting organizations

8. Pooling resources from the developing countries within an organized framework of co-operation could enhance the development of domestic consulting services and create a higher level of self-reliance, which would foster industrial development and thus reduce the gap between developed and developing countries in this field.

Recommendations

The Expert Group Meeting adopted the following recommendations:

1. In view of the important role of consulting services for economic and industrial development, developing countries should strengthen co-operation in the building materials and construction industry through the establishment of an international network of consulting organizations and institutions from developing countries, in order to be able to formulate and to implement co-operation activities in the most practical and efficient way.

2. The network should include, to the extent feasible, organizations and institutions at the national and international level whose work is related to consultancy and engineering services in the building materials and construction industry in developing countries.

3. The developing countries should establish a co-ordinating committee, which would create the network, make it operational and co-ordinate all activities with the aim of reaching the objectives of the network. The committee should be composed with due consideration to geographical distribution. Its functions should be, inter alia:

(a) To prepare a work programme and plan of action for the improvement of domestic consultancy in the developing countries;

(b) To build up a co-operation network, linking national focal points, relevant regional and international organizations and institutions having an influence on the promotion of consulting engineering services in the developing countries, such as associations, federations, development banks, relevant United Nations bodies and agencies and international non-governmental organizations;

(c) To promote and support co-operation between consulting services from developing countries;

(d) To collect and disseminate information on the current situation and level of development of consulting capabilities in developing countries;

(e) To support efforts of developing countries to establish institutional frameworks and to monitor the creation and development of domestic consulting capabilities;

(f) To assist in the development of national and regional professional associations of consulting organizations.

4. The developing countries should strengthen existing or establish new focal points at a national level that would be able to monitor and co-ordinate co-operation activities between their national consulting organizations and those of other developing countries, as well as with regional and international institutions and organizations.

5. A directory of consulting organizations from developing countries should be compiled.

6. The UNIDO Secretariat should be associated, within its mandate, with all phases of the implementation of the work programme of the co-ordinating committee, and UNIDO should be a member of the committee. Other relevant United Nations bodies and agencies, within the scope of their respective mandates, should be linked to the work programme as well.

I. ORGANIZATION OF THE MEETING

Opening of the Meeting

The Expert Group Meeting was opened on Monday, 10 November 1986, at the Havana Convention Centre by Mr. Levi Farah Balmaceda, Minister of the Government of Cuba, who emphasized the importance of the Meeting in enhancing co-operation between developing countries in the building materials and construction industry. He expressed his hope for a successful meeting, particularly since the outcome of the Meeting would be of direct relevance to the Group of 77. The representative of the UNIDO Secretariat, in his opening statement, emphasized the role of the building materials and construction industry in the economic development of the developing countries. He also emphasized the importance that UNIDO attached to South-South co-operation and the necessity of establishing linkages between existing institutions and organizations in that field.

Election of the Chairman

Mr. A. Gomez-Trueba, Vice-President of UNECA, was unanimously elected Chairman of the Expert Group Meeting.

Adoption of the agenda

The draft agenda (see annex II) was adopted at the first working session.

Adoption of conclusions and recommendations

The Meeting adopted conclusions and recommendations at its final working session.

Closing session

In his closing statement, the Chairman noted the success of the Meeting and reiterated the importance of the outcome, which would be conducive to the development of the consulting services in the developing countries.

The representative of the UNIDO Secretariat thanked the Chairman for his guidance, which had made it possible for the Meeting to adopt the conclusions and recommendations. He also thanked the experts for their individual inputs, which had been the basic reason for the successful outcome of the Meeting.

The spokesman of the participants expressed his gratitude to the Chairman, the Government of Cuba, UNECA and UNIDO for the efforts put into the Meeting.

The meeting was closed on Friday, 14 November 1986, by Mr. Levi Farah, Minister of the Government of Cuba, who expressed his appreciation for the work done by the UNIDO Secretariat and by the experts. He indicated the readiness of Cuba to constructively follow up the recommendations made by the experts. The representative of UNIDO expressed the gratitude of UNIDO to the Government of Cuba and UNECA for hosting the Meeting in such an efficient manner. He indicated that UNIDO would, inter alia, submit the final report of the meeting to the Group of 77, which was going to meet in March 1987 at Havana, Cuba.

II. SUMMARY OF DISCUSSIONS

As an introduction to the Expert Group Meeting, the UNIDO Secretariat presented in general the objectives of the Meeting, and UNIDO consultants presented background papers. Individual statements were made by several participants emphasizing the importance of the building materials and construction industry in a country's overall economic development. They stressed the need for strengthening domestic consulting services, as consulting services from developed countries were not able to fully adapt the most appropriate technologies to the local conditions.

The participants presented individual papers reflecting their experience and their views regarding the issues before the Meeting. (See annex III for a list of papers presented to the Meeting.)

In the discussions, it was stated by the experts that, although there was a considerable potential for qualified consultancy within the developing countries, most developing countries did not have a satisfactory level of domestic consulting and engineering services. However, the experts indicated that most concerned countries were not able to develop that potential without additional inputs and co-operation from other developing countries. Additional information on existing consulting organizations and associations would be necessary in order to make optimal use of the existing capabilities in developing countries in the field of building materials and construction. In that context, the experts discussed the need to improve the exchange of information and the necessity of establishing a roster of potential consulting services in order to improve the use of consulting services from developing countries by the developing countries themselves.

The experts agreed that there was considerable scope for co-operation between existing organizations and associations. Co-operation could be in the form of, inter alia, an exchange of information, training, promotional activities, bilateral co-operation, research and development and assistance in creating consulting organizations or associations. Moreover, the pooling of resources available within the developing countries through a framework of co-operation would enhance the development of domestic consulting services within the developing countries.

The experts discussed the necessity of making a practical and feasible approach regarding the improvement of co-operation between consulting organizations in developing countries. It was felt that the creation of another association or federation at that stage would be premature. The creation of a network, linking the main institutions and organizations that had a decisive influence on the development of the consulting profession, would therefore be more appropriate. The most practical and rational approach, it was suggested, would be to make use of existing organizations and institutions in order to create a network that would facilitate co-operation activities.

Participants expressed the need for a committee to set up the network and to co-ordinate activities aimed at the improvement of co-operation between consulting organizations. The members of the committee should be selected with due respect to geographical distribution.

Each country should have a focal point, which could be, for example, an existing association; alternatively, countries should be helped to create such focal points. Focal points would be able to co-ordinate, at the national level, all types of consultancy activities, but, in the first place, consulting activities in the building materials and construction industry. The

committee and the national focal points, it was suggested, should co-ordinate all efforts of participating countries aimed at promoting, creating and developing domestic consulting capabilities.

The functions of the co-ordinating committee were extensively discussed. The Meeting felt that the committee should have as a first task the creation of a directory of consulting organizations in order to improve the exchange of information, bilateral co-operation and other forms of co-operation.

Finally, the experts discussed the role of United Nations bodies and agencies. It was considered important to associate UNIDO with the co-ordination committee; operational links should be established with other rolevant United Nations bodies and agencies.

Annex I

LIST OF PARTICIPANTS

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Annex II

AGENDA

Working session I:

The role of consulting services in the building materials and construction industry.
The necessity of self-reliance and improving co-operation in the building materials and construction industry.

Working session II:

Presentation of individual papers by the experts.
Survey of existing organizations and associations in developing countries and current state and evaluation of activities and co-operation in developing countries in the building materials and construction industry.

Working session III:

Scope of possible co-operation between consulting organizations in developing countries and possible ways of improvement.

Working session IV:

Possibilities for and practical ways and means of international co-operation between consulting organizations from developing countries in the building materials and construction industry.

Working session V:

Feasibility of establishing and possible structure of an international network of co-operation between consulting organizations in developing countries and practical steps for the implementation of this network of co-operation.

Working session VI:

Conclusions and recommendations I.

Working session VII:

Conclusions and recommendations II.

Annex III

PAPERS PRESENTED TO THE MEETING

Issue paper (prepared by the UNIDO Secretariat)

Consulting services in developing countries in the field of building materials and construction industry, existing capabilities and co-operation (background paper prepared by V. Skendrovic, UNIDO consultant)

Identification of areas and scope for improvement of co-operation among developing countries in the field of building materials and construction industry (background paper prepared by L. F. Luaces, UNIDO consultant)

Possibilities and modalities of co-operation with respect to consulting services in developing countries in the field of building materials and construction industry (paper prepared by S. C. Kapoor)

International co-operation among consulting organizations from developing countries (paper prepared by D. Kovacevic)

Consulting/engineering and industrial development (paper prepared by M. Bouhacene)

Use and role of consulting services in the construction industry in developing countries (paper prepared by M. Salvoch)

Some aspects regarding consulting services in developing countries (paper prepared by A. Gonzales)

Note by SABESCO (paper prepared by S. Kachachi, Al-Sabah Bureau for Economic and Industrial Studies and Consultations (SABESCO), Iraq)